

**NATIONAL GALLERY OF
AUSTRALIA**

NATIONAL GALLERY OF AUSTRALIA

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The purpose of the National Gallery of Australia (the Gallery) is to serve the public by enhancing understanding and enjoyment of the visual arts. It will serve the public through the effective and efficient use of its collections, which will be developed, researched, preserved, displayed, interpreted, promoted and complemented with exhibitions and loans. The Gallery's aim to provide access to works of art and information about them locally, nationally and internationally.

This purpose is consistent with the *National Gallery of Australia Act 1975* which directs the Gallery to:

- Develop and maintain its collection of works of art;
- Exhibit, or make available for exhibition by others, works of art from the Gallery's collection, or works of art that are in the possession of the Gallery; and
- Use every endeavour to make most advantageous use of the national collection in the national interest.

Outcomes and outputs of the Gallery relate to the above purpose and the Gallery's legislated obligations.

APPROPRIATIONS AND RESOURCING

The total appropriation for the Gallery in the 2003-04 Budget is \$36.824m, which includes a capital appropriation of \$5.229m. The capital appropriation includes an equity injection of \$4.000m for the purchase of works of art, and an appropriation of previous years output of \$1.229m.

Table 2.1.1 shows the total appropriations for the National Gallery of Australia for 2003-04 by the price of outputs.

National Gallery of Australia — appropriations 2003-04

Table 1.1: Appropriations and other revenue

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total administered appropriations	Total appropriations		
	Bill No. 1	Special approps ⁽⁶⁾	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾			
	(A)	(B)	(C = A+B) (C1) ⁽¹⁾	(D)	(E = C+D) (E1) ⁽¹⁾	(F)	(G)	(H)	(I = F+G+H) (I1) ⁽¹⁾	(J=C+I)
1. Encourage understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally	31,595	-	31,595	9,215	40,810	-	-	-	-	31,595
Total	31,595	-	31,595 (K1) ⁽¹⁾	9,215	40,810 77.4%	-	-	-	-	31,595
								Departmental capital (equity injections and previous years outputs)	(K3) ⁽¹⁾	5,229
								Administered capital	(K4) ⁽¹⁾	-
								Total appropriations		36,824

Footnotes for Table 1.1

1. Cells C1, E1 and I1 refer to information provided in Table 2.2.1. Amount K1 refers to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
4. Revenue from other sources includes interest, sale of goods and services and donations. Non-appropriated revenues are detailed in Table 1.3.
5. Estimated expenses from individual Special Appropriations are shown in Table 1.4.

Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs by outcome.

MEASURES – AGENCY SUMMARY

Table 1.2: Summary of Measures disclosed in the 2003-04 Budget

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations forward estimate 2004-05			Appropriations forward estimate 2005-06			Appropriations forward estimate 2006-07		
			2003-04 (\$'000)			2004-05 (\$'000)			2005-06 (\$'000)			2006-07 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expense	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Communications, Information Technology and the Arts Portfolio - decreased resourcing in 2003-04	1	1.1, 1.2 & 1.3	Nil	(47)	(47)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cultural Agencies Review	1	1.1, 1.2 & 1.3	Nil	(218)	(218)	Nil	(261)	(261)	Nil	(340)	(340)	Nil	(383)	(383)

REVENUE FROM INDEPENDENT SOURCES

Table 1.3: Revenue from independent sources

	Estimated revenue 2002-03 \$'000	Estimated revenue 2003-04 \$'000
Sale of Goods and Services	5,410	6,455
Interest	550	335
Gifts of works of art and Donations	4,550	2,425
Total estimated revenue	10,510	9,215

ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Gallery will receive an equity injection of \$4.000m in 2003-04 to acquire new works of art to develop the collection. The injection shown in Table 1.1 is accounted for in the Capital Budget Statement (Table 3.4) and Appropriation Bill (No. 2) 2003-04.

The purchase of new works of art enables the Gallery to meet its requirements to develop and maintain a national collection of works of art under the *National Gallery of Australia Act 1975*.

The works acquired will enable the Gallery to continue to:

- enhance the understanding and enjoyment of visual arts;
- tell the story of the development of indigenous and non-indigenous Australian art; and
- provide a representative collection of Australian and International art.

The purchase of works of art from the capital injection is supplemented by other acquisitions through purchase, gift or bequest.

In 2001-02 work began on refurbishing and enhancing the Gallery building. The project cost is in part funded by a loan from government of \$20.700m to be drawn down in 2005-06. This loan will be repaid over an eight-year period commencing 2006-07.

The Gallery will also receive appropriation of previous years output of \$1.229m.

The National Gallery of Australia has not been appropriated any administered capital or loans in 2003-04.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

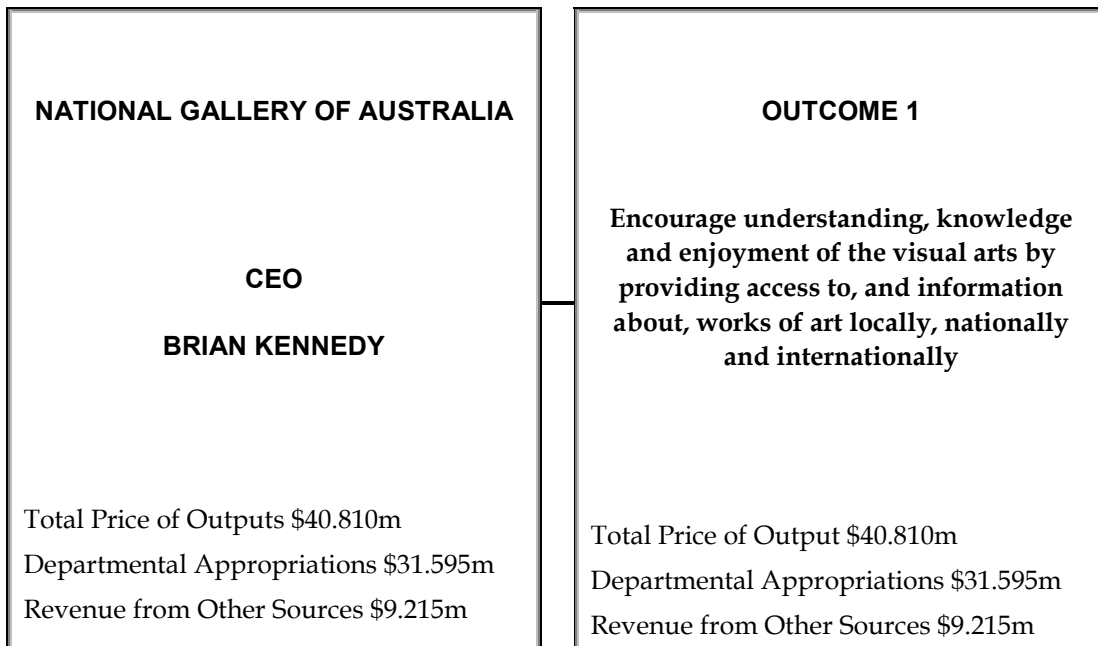
The maps on the following pages show the relationship between the outcome and the contributing outputs for the NGA. Financial details for Outcome 1 by outputs appear in Table 2.1.1 (Total Resources for Outcome 1) while non-financial information for Outcome 1 appears in Table 2.2.1 (Performance Information for Outcome 1).

Output cost attribution

The Gallery has adopted an activity based costing style model to allocate costs to outputs. The model operates as follows:

- Direct supplier costs; direct employee costs and depreciation for plant and equipment are directly allocated to project codes. Certain projects are then allocated directly to outputs. If the project does not relate directly to an output then it is treated as an overhead and allocated to outputs based on cost drivers.
- Where an employee's time is spent on numerous different projects a time record is kept. Salary costs for these employees are allocated based on the percentages provided from the time record report.
- The capital use charge and depreciation of the collection are allocated evenly to outputs. Building depreciation is allocated to specific project codes based on the percentage of the building space that a project occupies.

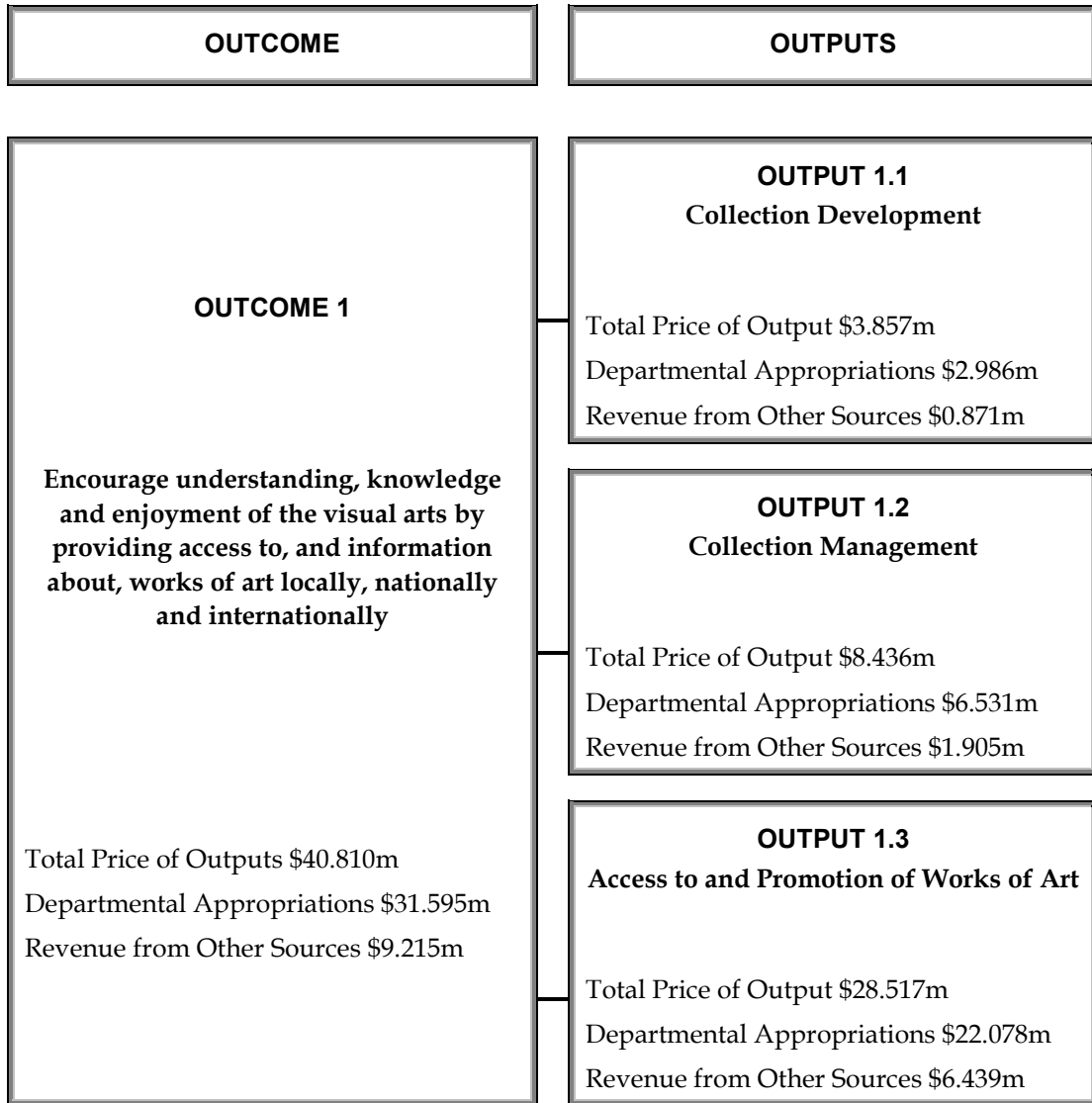
Map 1: Outcome structure



CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the NGA's outcome and output structure.

Map 2: Outcome 1 — contributing outputs



Note: Revenue from the Government (Appropriations) contributes 77.4% to the Total Price of Outputs for Outcome 1 for 2003-04.

OUTCOME 1 — DESCRIPTION

Encourage understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally

The enhancement of people's understanding and enjoyment of the visual arts is an aim of the Government as it confers social benefits on the Australian community and enhances the reputation of Australia in the international art world. The main focus is thus on developing and maintaining a quality collection and providing access to and information about both the collection and works of art on loan to the Gallery.

The Gallery leads the way in Australia in developing a premier collection and through the use it makes of the collection in service to the public. The Gallery develops, researches, preserves, displays, interprets and promotes the collection complemented with exhibitions, outward loans and access to works of art. In addition the Gallery enhances the understanding and enjoyment of the visual arts through an innovative public program, information in multimedia and published forms and a diverse education program.

In 2003-04 the Gallery will continue to develop and maintain the collection. It will continue to provide access to the collection through exhibitions, displays and public programs in the National Gallery building, which is based in Canberra. Access will also be provided nationally and internationally through travelling exhibitions and loans of works from the collection.

MEASURES AFFECTING OUTCOME 1¹

Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
National Gallery of Australia	-0.047	-	-	-

The Government has identified savings of \$0.5 million in 2003-04 which will be effected across the portfolio.

See related measure titled *Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04*, in the Department of Communications, Information Technology and the Arts.

Cultural Agencies Review

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
National Gallery of Australia	-0.2	-0.3	-0.3	-0.4

The Government's Review of Cultural Agencies within the Communications, Information Technology and the Arts portfolio recommended that agencies review their accounting treatment of cultural and heritage assets in 2003-04. As a result of this review, it is expected increased funding will be made available to agencies to expand preservation and conservation activities.

The additional flexibility and efficiency of this new framework will provide agencies with scope to reduce their costs. As a result, savings of \$6.9 million over four years, with ongoing savings of \$2.2 million per annum thereafter, have been identified and will be used to meet increased funding requirements of the Bundanon Trust and the National Institute of Dramatic Art.

This measure also impacts on Old Parliament House and ScreenSound Australia, which are funded through the Department of Communications, Information Technology and the Arts.

¹ This relates to measures disclosed in the 2003-04 budget context (that is, measures agreed since the Mid-Year Economic and Fiscal Outlook (MYEFO))

See also the related expense measures titled *Bundanon Trust* and *National Institute of Dramatic Art – additional funding* in the Communications, Information Technology and the Arts portfolio.

See also related measures titled *Cultural Agencies Review* under the National Archives of Australia, National Museum of Australia and the Department of Communications, Information Technology and the Arts in the Communications, Information Technology and the Arts portfolio.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1, the Appropriations and Other Revenue table for the Gallery.

Table 2.1.1: Total resources for Outcome 1

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
Administered appropriations	-	-	
Total administered expenses	-	-	(I1)
Departmental appropriations			
Output 1.1 Collection development	64,745	2,986	
Output 1.2 Collection management	68,794	6,531	
Output 1.3 Access to and promotion of works of art	86,531	22,078	
Total revenue from government (appropriations)	220,070	31,595	(C1)
Contributing to price of departmental outputs	95.7%	77.4%	
Revenue from other sources			
Output 1.1 Collection development	2,915	871	
Output 1.2 Collection management	3,098	1,905	
Output 1.3 Access to and promotion of works of art	3,897	6,439	
Total revenue from other sources	9,910	9,215	
Total price from departmental outputs (Total revenue from government and from other sources)	229,980	40,810	(E1)
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	229,980	40,810	
	2002-03	2003-04	
Average staffing level (number)	228	225	

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The National Gallery of Australia plans to deliver three outputs to achieve the outcome of encouraging understanding, knowledge and enjoyment of the visual arts. The outputs represent the key components delivered by the Gallery in collection development, collection management and access to and information about the collection and works of art.

Output 1.1 - Collection Development

The National Gallery aims to build a collection of works of art of outstanding quality through acquisition, gift and bequest and through disposal

Output 1.2 - Collection Management

The National Gallery's collection is accessioned and documented in order to account for each work in the collection. Works of art are catalogued to provide information about the collection and to enable access to that information. The National Gallery stores, secures and conserves its collection in order to preserve it for the Australian people now and in the future.

Output 1.3 - Access to and Promotion of Works of Art

The National Gallery provides access to works of art by displaying, exhibiting and lending its collection, as well as borrowing works from other sources. Access to works from the collection which are not on display is also provided. The National Gallery enhances the understanding, knowledge and enjoyment of art by providing information about and promoting the benefits of works of art through visitor services, education, and public programs and through multimedia. The Gallery seeks to achieve the widest possible audience both in attracting visitors to the Gallery and by sending works of art around Australia and overseas thereby improving access to works of art and providing information about them.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

Effectiveness - Overall achievement of the outcome	
Improved understanding and knowledge of the visual arts	85% of the visitors to the Gallery, or to works displayed by the Gallery, believed their understanding and knowledge of the visual arts was improved through such visits.
Enhanced enjoyment of the visual arts	85% of visitors to the Gallery, or to works displayed by the Gallery, enjoyed their experience of the visual arts.
Increased access to works of art	1,940,000 people saw works from the National Gallery's collection or exhibitions. 1,200,000 users accessed information via the Gallery's research library, collection study room or website.
Performance information for departmental outputs	
Output 1.1	
Collection development	<p>Quality 100% of acquisitions consistent with acquisition policy.</p> <p>Quantity 350 works acquired during the year. 50 works of art deaccessioned during the year.</p> <p>Price Costs associated with acquiring and deaccessioning works of art \$3.857m.</p>
Output 1.2	
Collection management	<p>Quality 100% of new works documented to approved standard.</p> <p>Quantity Gallery's collection of 94,000 items stored to appropriate standards. 600 works of art subjected to conservation treatment.</p> <p>Price \$75.89 per item stored \$2,169.73 per work of art treated \$8.436m</p>
Output 1.3	
Access to and promotion of works of art	<p>Quality 85% of visitors satisfied with displays and exhibitions. 85% of attendees satisfied with Gallery events.</p> <p>Quantity 1,940,000 people saw works from the National Gallery's collection or exhibitions. 110,000 attendees at events. 1,200,000 users accessed information via the Gallery's research library, collection study room or website.</p> <p>Price \$11.06 per visitor \$57.32 per attendee at events \$0.63 per user access \$28.517m</p>

EVALUATIONS

The outputs delivered by the Gallery will be monitored on an ongoing basis through actively seeking feedback through the Gallery's Service Charter, correspondence, visitor surveys and feedback from venues for the Gallery's exhibitions and works of art.

Section 3: Budgeted financial statements

DEPARTMENTAL FINANCIAL STATEMENTS

Budgeted Departmental Statement of Financial Performance

This statement provides a picture of the expected financial results for the Gallery by identifying full accrual expenses, revenues and the capital use charge, which highlights whether the Gallery is operating at a sustainable level.

Budgeted Departmental Statement of Financial Position

This statement shows the financial position of the Gallery. It enables decision-makers to track the management of the Gallery's assets and liabilities.

Budgeted Departmental Statement of Cash Flows

Budgeted cash flows provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Capital Budget Statements

This statement shows all planned Gallery capital expenditure on non-financial assets, whether funded through capital appropriations for additional equity or borrowings, or from internal sources.

Departmental Non Financial Assets — Summary of Movement

Shows budgeted acquisitions, gifts and disposals of non-financial assets during the budget year.

**Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	220,070	31,595	32,346	32,694	33,360
Goods and services	5,410	6,455	7,893	7,877	8,082
Interest	550	335	500	500	500
Dividends	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Reversals of previous asset w rite dow ns	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	4,550	2,425	1,800	1,800	1,800
Total revenues from ordinary activities	230,580	40,810	42,539	42,871	43,742
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	13,835	15,125	15,522	15,859	15,713
Suppliers	15,650	14,025	15,114	15,032	15,001
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	7,644	7,939	8,091	8,307	8,804
Write-down of assets	88	85	50	50	50
Net foreign exxchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	37,217	37,174	38,777	39,248	39,568
Borrowing costs expense	-	-	-	-	613
Share of net profits/losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Operating surplus or deficit from ordinary activities	193,363	3,636	3,762	3,623	3,561
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or deficit	193,363	3,636	3,762	3,623	3,561
Capital Use Charge Paid *	188,205				
Net surplus or deficit after CUC	5,158	3,636	3,762	3,623	3,561

*The Capital Use Charge will be abolished from 1 July 2003.

**Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June (continued)**

Table 3.1: Budgeted departmental statement of financial performance

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
Outside equity interests in net surplus or deficit	-	-	-	-	-
Net surplus or deficit attributable to the Commonwealth	5,158	3,636	3,762	3,623	3,561
Net credit (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit (credit) to equity	-	-	-	-	-
Adjustments arising from Standards recognised as direct debit (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit (credit) to equity	-	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	5,158	3,636	3,762	3,623	3,561

**Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	11,281	6,004	5,134	7,022	6,660
Receivables	1,800	500	500	500	500
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	100	100	100	100	100
Other	-	-	-	-	-
Total financial assets	13,181	6,604	5,734	7,622	7,260
Non-financial assets					
Land and buildings	115,880	122,101	124,604	145,044	144,559
Infrastructure, plant and equipment	2,158	3,688	3,636	3,515	3,324
Heritage and cultural assets	1,595,626	1,598,942	1,602,128	1,607,983	1,614,298
Inventories	1,250	1,300	1,250	1,200	1,150
Intangibles	616	625	585	515	385
Other	100	100	100	100	100
Total non-financial assets	1,715,630	1,726,756	1,732,303	1,758,357	1,763,816
Total assets	1,728,811	1,733,360	1,738,037	1,765,979	1,771,076
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	20,700	18,113
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	20,700	18,113
Provisions					
Employees	3,742	3,854	3,970	4,089	4,212
Other	-	-	-	-	-
Total provisions	3,742	3,854	3,970	4,089	4,212
Payables					
Suppliers	9,387	6,188	2,987	2,487	2,487
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Total payables	9,387	6,188	2,987	2,487	2,487
Total liabilities	13,129	10,042	6,957	27,276	24,812

**Table 3.2: Budgeted Departmental Statement of Financial Position
as at 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
EQUITY					
Parent entity interest					
Contributed equity	80,712	84,712	88,712	92,712	96,712
Reserves	1,008,520	1,008,520	1,008,520	1,008,520	1,008,520
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	626,450	630,086	633,848	637,471	641,032
Total parent entity interest	1,715,682	1,723,318	1,731,080	1,738,703	1,746,264
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	1,715,682	1,723,318	1,731,080	1,738,703	1,746,264
Total assets and liabilities by maturity					
Current assets	14,531	8,004	7,084	8,922	8,512
Non-current assets	1,714,280	1,725,356	1,730,953	1,757,057	1,762,564
Current liabilities	8,105	8,250	5,164	7,370	7,493
Non-current liabilities	5,024	1,793	1,793	19,906	17,319

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	6,158	6,826	8,193	8,177	8,382
Appropriations	218,841	32,824	32,346	32,694	33,360
Interest	550	335	500	500	500
Dividends	-	-	-	-	-
Other	3,350	2,125	1,500	1,500	1,500
Extraordinary items	-	-	-	-	-
Total cash received	228,899	42,110	42,539	42,871	43,742
Cash used					
Employees	13,835	15,125	15,522	15,859	15,713
Suppliers	15,778	14,347	15,298	15,213	15,178
Grants	-	-	-	-	-
Borrow ing costs	-	-	-	-	613
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	29,613	29,472	30,820	31,072	31,504
Net cash from operating activities	199,286	12,638	11,719	11,799	12,238
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	-	-	-	-	-
Proceeds from sale of financial instruments	-	-	-	-	-
Bill of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	18,800	21,915	16,589	34,611	14,013
Purchase of financial instruments	-	-	-	-	-
Bill of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	18,800	21,915	16,589	34,611	14,013
Net cash from investing activities	(18,800)	(21,915)	(16,589)	(34,611)	(14,013)

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,000	4,000	4,000	4,000	4,000
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	20,700	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	4,000	4,000	4,000	24,700	4,000
Cash used					
Repayments of debt	-	-	-	-	2,587
Capital use charge paid	188,205	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	188,205	-	-	-	2,587
Net cash from financing activities	(184,205)	4,000	4,000	24,700	1,413
Net increase / (decrease) in cash held	(3,719)	(5,277)	(870)	1,888	(362)
Cash at the beginning of the reporting period	15,000	11,281	6,004	5,134	7,022
Effect of exchange rate movements on cash at the beginning of the reporting period	-	-	-	-	-
Cash at the end of the reporting period	11,281	6,004	5,134	7,022	6,660

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	4,000	4,000 (K3) ¹	4,000	4,000	4,000
Total loans	-	-	-	20,700	-
Appropriation of previous year accrued revenue		1,229 (K3) ¹			
Represented by					
Purchase of works of art	4,000	4,000	4,000	4,000	4,000
Building Refurbishment & Enhancement	-	-	-	20,700	-
Insurance premium payment		1,229			
Total	4,000	5,229	4,000	24,700	4,000
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	4,000	4,000	4,000	24,700	4,000
Funded internally by Departmental resources	7,600	14,715	9,388	9,411	10,012
Total	11,600	18,715	13,388	34,111	14,012

¹ These lines link to (K3) in Table 1.1

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	4,450	111,430	-	2,158	1,595,626	616	-	1,714,280
Additions	-	8,000	-	1,845	8,900	270	-	19,015
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount w rite-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(1,779)	-	(315)	(5,584)	(261)	-	(7,939)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	4,450	117,651	-	3,688	1,598,942	625	-	1,725,356
Total additions								
Self funded	-	8,000	-	1,845	4,600	270	-	14,715
Gifts	-	-	-	-	300	-	-	300
Appropriations	-	-	-	-	4,000	-	-	4,000
Total	-	8,000	-	1,845	8,900	270	-	19,015

NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements are prepared on an accrual basis. Below are notes, which explain major variations between the projected 2001-02 financial statements and the budgeted financial statements for 2003-04 and forward estimates to 2006-07.

Budgeted Departmental Statement of Financial Performance

- Revenue from government will decrease in 2003-04 due to the removal of the capital use charge.
- A capital use charge was levied on authorities to reflect the cost of the Commonwealth's investment in those entities. It was levied on the agencies closing departmental net assets balance (equity) at a rate of 11%. Funding for the capital use charge was included in authorities departmental price of output appropriations.
- Sales of goods and services revenue is forecast to be higher in 2003-04 than levels projected in 2002-03 due to anticipated higher levels of visitor attendance to the Gallery resulting from the exhibitions planned for 2003-04.
- Operating expenses for employees are projected to increase from 2002-03 to 2003-04 in line with agency workplace agreements and cost of living adjustments.
- Operating expenses for suppliers are projected to decrease mainly due to a reduction in level of expenditure on property operating expenses and asset leasing. The reduction in operating expenses will be offset by an increase in capital investment.
- Borrowing costs in 2006-07 relates to Government loan for refurbishment of the Gallery building.
- The budgeted net operating result for 2003-04 and forward estimate years are estimated to be zero except for gifts and donations of works of art or money for works of art and the capital contribution required to meet the cost of building refurbishment and enhancement.

Budgeted Departmental Statement of Financial Position

- The cash balance for 2003-04 is projected to be lower than 2002-03 due to the expected expenditure on refurbishment of the building.
- Land and buildings assets are projected to increase due to the impact of planned refurbishment of the building.

- Collection assets are projected to increase each year due to government equity injections for acquisitions of \$4.000m and gifts and donations.
- In 2005-06 the Government will lend the Gallery funds to be applied to refurbishment and enhancement of the Gallery building.
- Employee provisions and payables include all remuneration entitlements owing and are projected to increase in line with expected pay increases in the agency workplace agreement.
- Supplier provisions and payables at 30 June 2003 are projected to include \$8.8m owing on the purchase of works of art under current purchase agreements. The supplier provisions and payables decreases in future years reflecting the payments made against agreed settlement terms.
- Capital equity is budgeted to increase by \$4.000m per annum and represents appropriation funds provided to purchase works of art as part of the ongoing development of the national collection.
- Reserves represent an asset revaluation reserve. The outcome of future revaluations can not be assessed and have thus not been included in the 2003-04 budget or forward estimates.

Budgeted Departmental Statement of Cash Flows

- Cash used in investing activities for acquiring property, plant and equipment in 2003-04 includes projects agreed or required by government including the cost of improvements to buildings to assist in protecting the national collection.
- Payments for works of art can vary significantly from year to year depending on the availability of works appropriate to the collection, settlement terms and the extent of donations and bequests in any year.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

The NGA does not have any purchaser/provider arrangements.

COST RECOVERY ARRANGEMENTS

The National Gallery of Australia does not have any cost recovery arrangements.